



# **DHHS REPORT ON LOCAL INPATIENT COMMUNITY HOSPITAL CONTRACTS (3 WAY CONTRACTS)**

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Joint Legislative Oversight Committee  
On Mental Health, Developmental Disabilities and  
Substance Abuse Services  
November 10, 2009

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Department of Health and Human Services



# **3 Way Contracts Basic Information**

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- i Contract between a Community Hospital, DHHS and an LME to purchase expanded Inpatient Psychiatric Care**
- i Expanded Beds =**
  - ∅ Opening New Beds**
  - ∅ Staffing Up Unused Capacity**
  - ∅ Opening Existing Capacity to Involuntary Commitments**



## **3 Way Contracts Basic Information**

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- i Payment Rate = \$750 per day (Hospital Daily Rate + Psychiatric Care + Discharge Medications)**
- i Contract gives participating Hospitals priority in transfers to State Hospitals—Encourage taking difficult patients**



## **3 Way Contracts Basic Information**

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- i Contract requires aggressive discharge efforts**
- i Available Funding = \$20,121,644  
(FY 08-09 \$8,121,644 + FY 09-10  
\$12,000,000)**



## 3 Way Contract Goals

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- i Increase Community Psychiatric Inpatient Capacity**
- i Treat Consumers Closer to Home—Improve Hospital Transitions**
- i Reduce Short-term Admissions (7 days or less) to State Hospitals**
- i Decrease Emergency Room Wait Times & Impact on Law Enforcement**



## **FY 08-09 Contract Utilization**

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- i Contracts were initiated with 11 Community Hospitals**
- i Contracts were Phased In throughout the year as increased Capacity Came on Line**
- i Increased Capacity = 67 Beds**
- i Participating Hospitals Served an additional 1,453 patients over FY 07-08 Actual Admissions**



# Projected FY 09-10 Utilization

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- i **Annualized Cost of Current Contracts (\$13,755,938) will support 3,317 admission during FY 09-10**
- i **New Funded Contracts (November 1<sup>st</sup> Start Up @ Cost of \$6,424,313) = 47 New Beds that Can Serve an additional 1,508 Admissions**



# Projected FY 09-10 Utilization

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- i **Maximum Projected Total Admissions = 4,825 (Note: Assumes 5.5 day average length of stay)**
- i **3 Way Contracts Open in 16 of 24 LMEs**



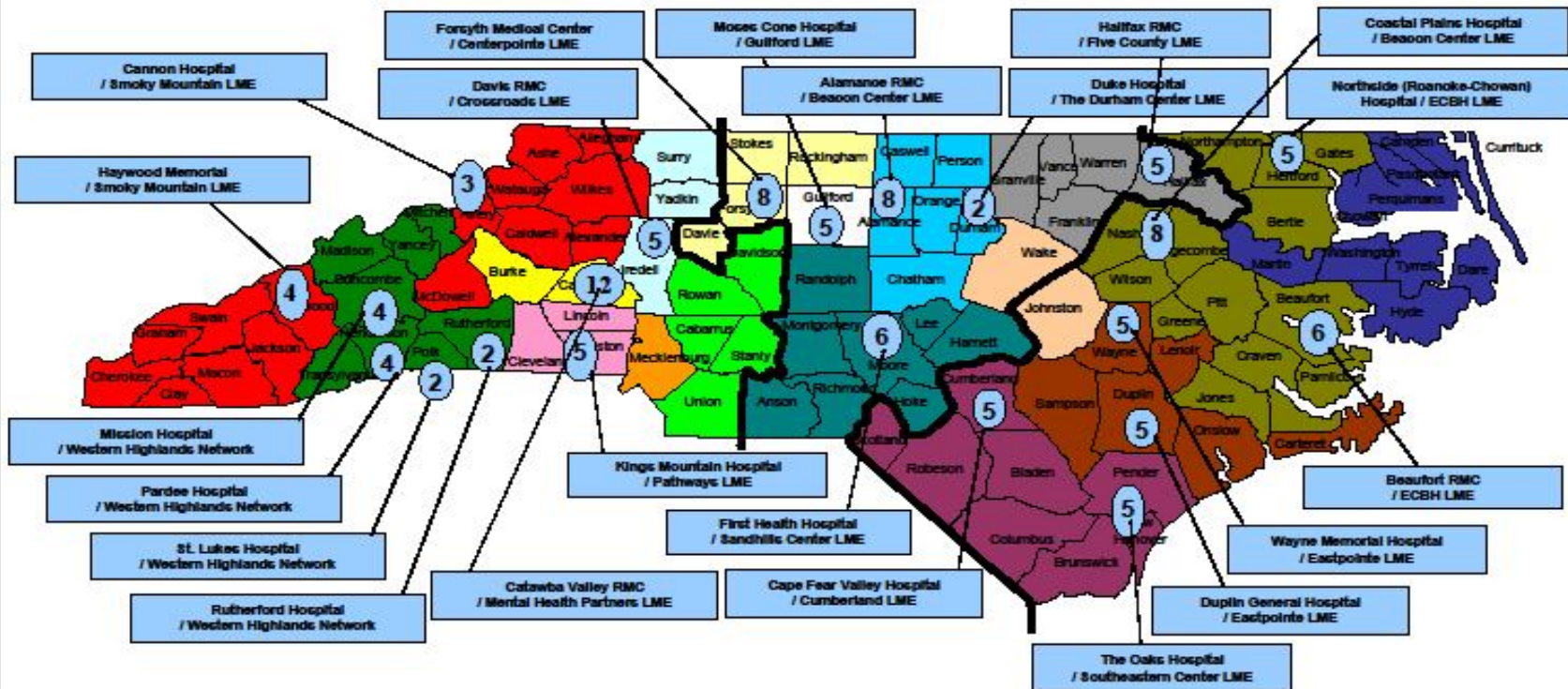
# SFY 2009 and SFY 2010 3 Way Hospital Contracts

SFY 2009 and SFY 2010 Three-Way Hospital Contracts

LME	SFY 2008-2009				Renewed 2008-2009			New 2009-2010			
	Total 2008 Admissions of Less than 8 Days	2008 < 8 Day Lengths of Stay per 100,000 population	Community IVC Beds Prior to Contract	Beds Added SFY 2008 through Various Funding Initiatives	Community Hospitals in 3-way Contract	# of Beds	Contract Amount	Community Hospitals in 3-way Contract (Assumes November 1 Start Date)	# of Beds	Proposed Contract Amount	Total Community IVC Beds
Wake	881	58.02	0	44							44
CenterPoint	261	49.27	81		Forsyth Memorial	8	1,642,500				89
Alamance-Caswell	240	140.89	36		Alamance Regional	8	1,642,500				44
Durham	235	89.06	23		Duke	2	410,525				25
Guilford	226	47.50	104					Moses Cone	5	683,438	109
				12	Haywood Regional	4	821,250				16
Smoky Mountain	169	32.33	0	7	Charles Cannon, Avery County	3	615,938				10
Sandhills	166	30.51	34		1st Health Moore	6	1,231,875				40
Southeastern	161	44.53	30		The Oaks, New Hanover Memorial	5	1,026,563				35
Beacon	160	65.02	34		Coastal Plains, Nash General	8	1,642,500				42
Eastpointe	152	37.72	20					Duplin General	5	683,438	25
Five County	135	57.65	20					Wayne Memorial	5	683,438	5
								Halifax Regional	5	683,438	25
Western Highlands Network	135	26.58	128					Any combo of WHN hospitals	12	1,640,250	140
OPC	102	44.22	73								73
Cumberland	100	31.65	26					Cape Fear Valley	5	683,438	31
Johnston	84	50.04	6	14							20
PBH	81	11.03	26								26
East Carolina Behavioral Health	77	26.23	96		Beaufort Memorial	6	1,231,875	Northside, Roanoke-Chowan	5	683,438	107
Crossroads	75	27.60	0					Davis Regional	5	683,438	5
Mecklenburg	69	7.51	120								120
Onslow-Carteret	59	24.80	0								0
Southeastern Regional	49	19.20	33								33
MH Partners	43	17.50	102		Catawba Valley	12	2,463,750				114
Albemarle	41	21.88	0								0
Pathways	13	3.43	45		Kings Mountain	5	1,026,563				50
<b>Total</b>	<b>3,714</b>	<b>38.62</b>	<b>1,037</b>	<b>77</b>		<b>87</b>	<b>13,766,838</b>		<b>47</b>	<b>6,424,318</b>	<b>1,228</b>

Total New Beds = 191

## Total 3-Way Contract Community Hospital Beds (As of 11-6-09)



**22 Three Way Contracts in 2009 and 2010 with 114 designated beds**



# LME Contract Responsibilities

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- i Authorization of Admissions**
- i Collecting Patient Data**
- i Facilitating Discharge Planning (Follow Up Appointment with in 7 days)**
- i Coordinating Discharge Planning with Other LMEs**
- i Submit Hospital Claims to DMH/DD/SAS**
- i Pay Hospitals Within 10 working Day of Receipt of State Payment**

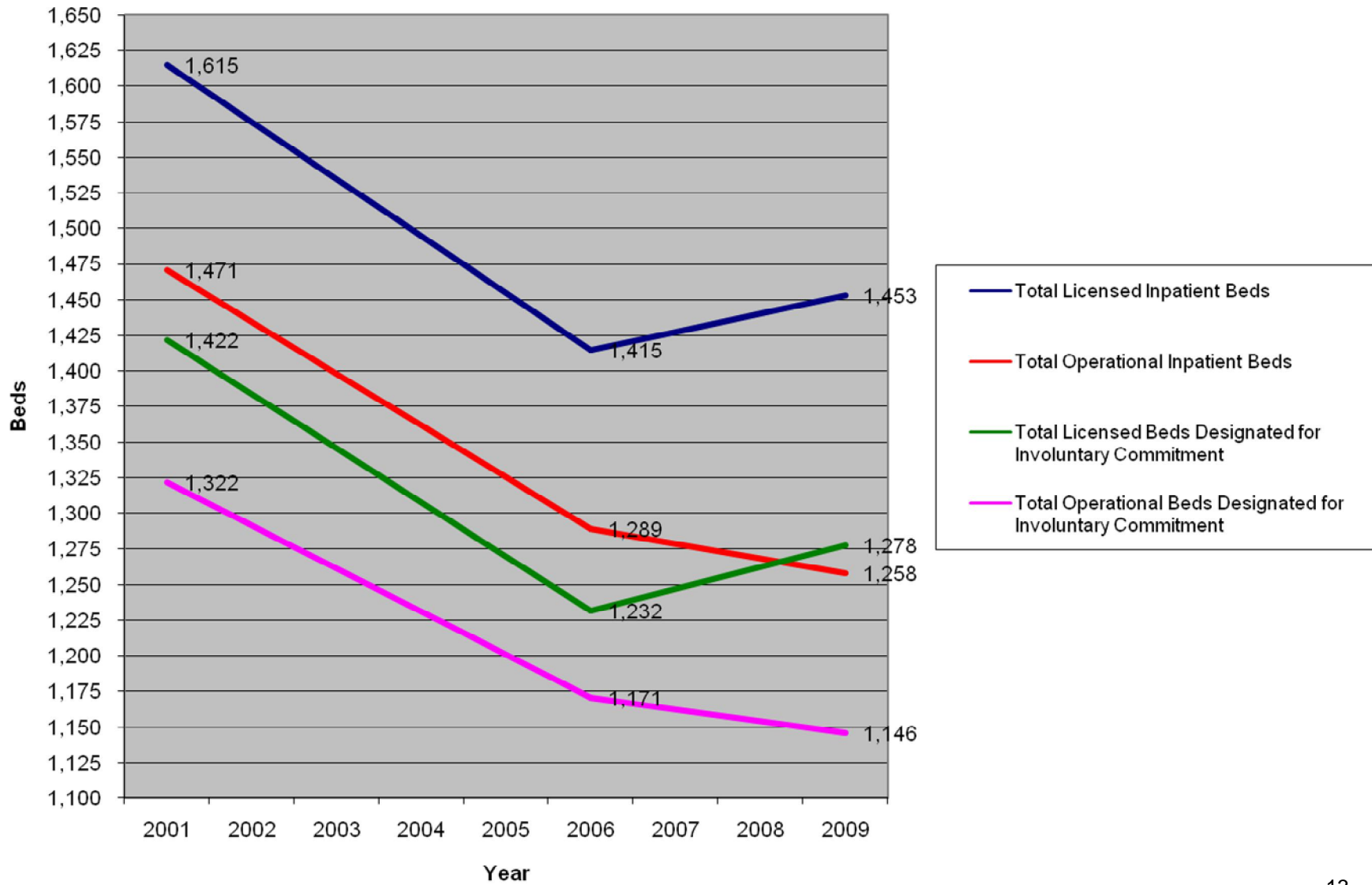


# Contract Tracking Requirements

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- i **Separate State Billing Code**
- i **Admissions**
- i **Hospital Denials**
- i **Bed Utilization**
- i **Transfers to State Hospitals**
- i **Billing/ Expenditure Data**

### Number of Community Hospital Psychiatric Inpatient Beds





# Future Funding Issues

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- i **Annualized Cost For FY 09-10 Contract Start-up (\$3.3 Million)**
- i **Expansion Funding for Additional Beds**
- i **Issue: Funding Support for Existing Community Capacity**